

88TH CONGRESS 1st Session	}	HOUSE OF REPRESENTATIVES	}	REPORT No. 773
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MILITARY PAY INCREASE

SEPTEMBER 25, 1963.—Ordered to be printed

Mr. RIVERS of South Carolina, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 5555]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5555) to amend title 37, United States Code, to increase the rates of basic pay for members of the uniformed services, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That this Act may be cited as the "Uniformed Services Pay Act of 1963"*.

BASIC PAY

SEC. 2. Section 203 of title 37, United States Code, is amended to read as follows:

"§ 203. Rates

"(a) The rates of monthly basic pay for members of the uniformed services within each pay grade are set forth in the following tables:

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"Commissioned officers

"Pay grade	Years of service computed under sec. 205						
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10
O-10 ¹	\$1,250.00	\$1,315	\$1,315	\$1,315	\$1,315	\$1,365	\$1,365
O-9	1,665.30	1,155	1,180	1,180	1,180	1,210	1,210
O-8	965.30	1,020	1,075	1,075	1,075	1,155	1,155
O-7	800.28	965	905	905	945	945	1,000
O-6	592.80	650	735	735	735	735	735
O-5	474.24	550	630	630	630	630	630
O-4	400.14	515	550	550	550	585	585
O-3 ¹	320.04	440	470	520	545	565	565
O-2 ¹	259.36	375	450	465	475	475	475
O-1 ¹	222.30	340	375	375	375	375	375

"Pay grade	Years of service computed under sec. 205						
	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26
O-10 ¹	\$1,470	\$1,470	\$1,575	\$1,575	\$1,680	\$1,680	\$1,785
O-9	1,260	1,260	1,365	1,365	1,470	1,470	1,575
O-8	1,210	1,210	1,260	1,315	1,365	1,420	1,480
O-7	1,000	1,050	1,155	1,235	1,235	1,235	1,235
O-6	735	760	840	825	845	1,000	1,085
O-5	685	730	785	830	855	885	885
O-4	660	690	720	740	740	740	740
O-3 ¹	625	640	640	640	640	640	640
O-2 ¹	475	475	475	475	475	475	475
O-1 ¹	375	375	375	375	375	375	375

¹ While serving as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, basic pay for the grade is \$1,970 regardless of cumulative years of service computed under section 205 of this title.

² Does not apply to commissioned officers who have been credited with over 4 years' active service as an enlisted member.

"Commissioned officers who have been credited with over 4 years' active service as an enlisted member

"Pay grade	Years of service computed under sec. 205					
	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14
O-3	\$520	\$545	\$565	\$595	\$625	\$650
O-2	425	475	490	515	535	550
O-1	375	400	415	430	445	465

"Pay grade	Years of service computed under sec. 205					
	Over 15	Over 18	Over 20	Over 22	Over 26	Over 30
O-3	\$600	\$650	\$680	\$650	\$650	\$650
O-2	560	550	550	550	550	550
O-1	465	485	485	465	465	465

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"Warrant officers"

"Pay grade"	Years of service computed under sec. 205							
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12
W-4.....	\$332.90	\$430	\$430	\$440	\$460	\$480	\$500	\$565
W-3.....	302.64	395	395	400	405	435	460	475
W-2.....	264.88	345	345	355	375	395	410	425
W-1.....	219.42	305	305	330	345	360	375	390

"Pay grade	Years of service computed under sec. 205						
	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
W-4-----	\$560	\$580	\$595	\$615	\$635	\$685	\$685
W-3-----	490	505	520	540	560	580	580
W-2-----	440	455	470	485	505	505	505
W-1-----	405	420	435	450	450	450	450

"Enlisted members"

"Pay grade"	Years of service computed under sec. 205							
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12
E-9.....							\$455	\$445
E-8.....						\$365	375	385
E-7.....	\$206.99	\$275	\$285	\$295	\$305	315	325	335
E-6.....	175.81	240	250	260	270	280	290	305
E-5.....	145.24	210	220	230	245	255	265	275
E-4.....	122.90	180	190	205	215	215	215	215
E-3.....	98.57	145	155	165	165	165	165	165
E-2.....	85.80	120	120	120	120	120	120	120
E-1.....	83.20	110	110	110	110	110	110	110
E-1 (under 4 months).....	78.00							

"Pay grade	Years of service computed under sec. 205						
	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
E-9.....	\$455	\$465	\$475	\$485	\$510	\$560	\$560
E-8.....	395	405	415	425	450	500	500
E-7.....	355	360	375	375	400	450	450
E-6.....	315	325	330	330	330	330	330
E-5.....	280	280	280	280	280	280	280
E-4.....	215	215	215	215	215	215	215
E-3.....	165	165	165	165	165	165	165
E-2.....	120	120	120	120	120	120	120
E-1.....	110	110	110	110	110	110	110

"(b) While serving as a permanent professor at the United States Military Academy or the United States Air Force Academy, an officer who has over 36 years of service computed under section 205 of this title is, in addition to the pay and allowances to which he is otherwise entitled under this title, entitled to additional pay in the amount of \$250 a month. This additional pay may not be used in the computation of retired pay."

BASIC PAY AND ALLOWANCES OF CONTRACT SURGEONS

SEC. 3. (a) Section 201(b) of title 37, United States Code, is amended by striking out the words "O-2 with two or less" and inserting in place thereof the words "O-3 with over four, but not more than six,".

(b) Section 421(a) of title 37, United States Code, is amended by striking out the words "O-2 with less than two" and inserting in place thereof the words "O-3 with over four, but not more than six,".

SPECIAL PAY FOR PHYSICIANS AND DENTISTS

SEC. 4. Section 302(b) of title 37, United States Code, is amended by striking out the figure "\$200" in clause (3) and the figure "\$250" in clause (4) and inserting in place thereof the figure "\$250" and the figure "\$350", respectively.

RETIRED PAY AND RETAINER PAY

SEC. 5. (a) Except as provided in section 1402 of title 10, United States Code, the changes made by this Act in the rates of basic pay of members of the uniformed services do not increase the retired pay or retainer pay to which a member or former member of the uniformed services was entitled on the day before the effective date of this Act. However, except for a member covered by section 6381 of title 10, United States Code, who became entitled to retainer pay before April 1, 1963, and subject to subsection (j) of this section, a member or former member of a uniformed service who became entitled to retired pay or retainer pay after March 31, 1963, but before the effective date of this Act, is entitled—

(1) to have the retired pay or retainer pay to which he was entitled on the day before the effective date of this Act recomputed under the rates of basic pay prescribed by section 2 of this Act; or

(2) to continue to have that pay computed under the rates of basic pay that were in effect under section 203 of title 37, United States Code, on the day before the effective date of this Act, plus the percentage increase provided by subsection (e) of this section; whichever pay is the greater. For the purposes of the preceding sentence, a member or former member who became entitled to retired pay on April 1, 1963, by virtue of section 1 of the Act of April 23, 1930, ch. 209, as amended (5 U.S.C. 47a), shall be considered as having become entitled to that pay before April 1, 1963.

(b) A member or former member of a uniformed service who was retired other than for physical disability and who, in accordance with section 511 of the Career Compensation Act of 1949 (63 Stat. 829), is entitled to retired pay or retainer pay computed by "method" (a) of that section using rates of basic pay that were in effect before October 1, 1949, is entitled—

(1) to have that pay recomputed by "method" (b) of that section using the rates of basic pay that were in effect under that Act on the day before the effective date of this Act; or

(2) to an increase of 5 percent in the retired pay or retainer pay to which he was entitled on the day before the effective date of this Act;

whichever pay is the greater.

(c) A member or former member of a uniformed service who is entitled to retired pay or retainer pay computed under the rates of basic pay that were in effect under the Career Compensation Act of 1949 before June 1, 1958, including a member or former member who is entitled to retired

pay under section 7 (b) or (c) of the Act of May 20, 1958, Public Law 85-422 (72 Stat. 130), is entitled—

(1) to have that pay recomputed under the rates of basic pay that were in effect under that Act on the day before the effective date of this Act; or

(2) to an increase of 5 percent in the retired pay or retainer pay to which he was entitled on the day before the effective date of this Act; whichever pay is the greater.

(d) A member or former member of a uniformed service who was entitled to retired pay on the day before the effective date of this Act and who served as Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps is entitled—

(1) to have his retired pay recomputed under the formula for computing retired pay applicable to him—

(A) when he retired; or

(B) if he served on active duty after he retired and his retired pay was recomputed by reason of that service, when his retired pay was so recomputed;

using as his rate of basic pay the rate of basic pay prescribed for officers serving on active duty is those positions on June 1, 1958, by footnote 1 to the table for commissioned officers in section 201(a) of the Career Compensation Act of 1949, as amended (72 Stat. 122); or

(2) to an increase of 5 percent in the retired pay to which he was entitled on the day before the effective date of this Act; whichever pay is the greater.

(e) A member or former member of a uniformed service who was entitled to retired pay or retainer pay on the day before the effective date of this Act, other than a member or former member who is covered by subsection (b), (c), or (d) of this section, is entitled to an increase of 5 percent in the retired pay or retainer pay to which he was entitled on the day before the effective date of this Act.

(f) Notwithstanding any other provision of law, a member of an armed force who was entitled to pay and allowances under any of the following provisions of law on the day before the effective date of this Act shall continue to receive the pay and allowances to which he was entitled on that day:

(1) The Act of March 23, 1946, chapter 112 (60 Stat. 59).

(2) The Act of June 26, 1948, chapter 677 (62 Stat. 1052).

(3) The Act of September 18, 1950, chapter 952 (64 Stat. A224).

(g) Chapter 71 of title 10, United States Code, is amended—

(1) by adding the following new section after section 1401:

“§ 1401a. Adjustment of retired pay and retainer pay to reflect changes in Consumer Price Index

“(a) Unless otherwise specifically provided by law, the retired pay or retainer pay of a member or former member of an armed force shall not be recomputed to reflect any increase in the rates of basic pay for members of the armed forces if that increase becomes effective after the effective date of this section.

“(b) In January of each calendar year after 1963, the Secretary of Defense shall determine the percent that the annual average of the Consumer Price Index (all items—United States city average) published by

the Bureau of Labor Statistics for the preceding calendar year has increased over that for 1962 or, if later, for the calendar year preceding that in which the most recent adjustment in retired pay and retainer pay has been made under this subsection. If the Secretary determines the percent of that increase to be 3 or more, the retired pay or retainer pay of a member or former member of an armed force who became entitled to that pay before January 2 of the year in which the Secretary makes that determination shall, as of April 1 of that year, be increased by that percent, adjusted to the nearest one-tenth of 1 percent."'; and

(2) by inserting the following new item in the analysis:

"1401a. Adjustment of retired pay and retainer pay to reflect changes in Consumer Price Index."

(h) Title 10, United States Code, is amended as follows:

(1) Section 1401 is amended by striking out the words "and adjust to reflect later changes in applicable permanent rates" in footnote 1 to the table;

(2) Sections 3991 and 8991 are each amended—

(A) by amending column 1 of formula A in the table to read as follows:

"Monthly basic pay² of member's retired grade."'; and

(B) by amending footnote 2 to the table to read as follows:

"² Compute at rates applicable on date of retirement."

(3) Chapter 561 is amended by repealing section 6149 and striking out the following item in the analysis:

"6149. Retired pay: computed on basis of rates of pay for officers on the active list."

(4) Sections 6151(b), 6323(c), 6325 (a)(2) and (b)(2), 6326(c)(2), 6381 (a)(2), 6383(c)(2), 6390(b)(2), and 6394(h) are each amended by striking out the words "to which he would be entitled if serving on active duty in" and inserting in place thereof the word "of".

(5) Section 6327(b) is amended by striking out the words "to which he would be entitled if on active duty" and inserting in place thereof the words "of the grade in which retired".

(6) Sections 6396(c)(2), 6398(b)(2), 6399(c)(2), and 6400(b)(2), are each amended by striking out the words "to which she would be entitled if serving on active duty in" and inserting in place thereof the word "of".

(i) Section 423 of title 14, United States Code, is amended by striking out the word "active-duty" wherever it appears and inserting in place thereof the word "basic".

(j) A member or former member of a uniformed service is not entitled to an increase in his retired pay or retainer pay because of the enactment of this Act for any period before the effective date of this Act.

(k) Section 3(b) of the Act of August 10, 1956, ch. 1041 (38 U.S.C. 857a(b)), and section 221(b) of the Public Health Service Act (42 U.S.C. 213a(b)) are each amended by striking out the words "or 'the Secretary concerned' " and inserting in place thereof the words " , 'the Secretary concerned', or 'the Secretary of Defense' ".

(l) (1) Section 1402(a) of title 10, United States Code, is amended to read as follows:

"(a) A member of an armed force who has become entitled to retired pay or retainer pay, and who thereafter serves on active duty (other than for

MILITARY PAY INCREASE

training), is entitled to recompute his retired pay or retainer pay upon his release from that duty as follows:

“Col. 1, take—	Col. 2, multiply by—	Col. 3, subtract—
Monthly basic pay ¹ of the grade in which he would be eligible— (1) to retire if he were retiring upon that release from active duty; or (2) to transfer to the Fleet Reserve or Fleet Marine Corps Reserve if he were transferring to either upon that release from active duty.	2½ percent of the sum of— (1) the years of service that may be credited to him in computing retired pay or retainer pay; and (2) his years of active service after becoming entitled to retired pay or retainer pay. ²	Excess over 75 percent of pay upon which computation is based.

¹ For a member who has been entitled, for a continuous period of at least two years, to basic pay under the rates of basic pay in effect upon that release from active duty, compute under those rates. For a member who has been entitled to basic pay for a continuous period of at least two years upon that release from active duty, but who is not covered by the preceding sentence, compute under the rates of basic pay replaced by those in effect upon that release from active duty. For any other member, compute under the rates of basic pay under which the member's retired pay or retainer pay was computed when he entered on that active duty.

² Before applying the percentage factor, credit a part of a year that is six months or more as a whole year, and disregard a part of a year that is less than six months.

However, an officer who was ordered to active duty (other than for training) in the grade that he holds on the retired list under former section 6150 of this title, or under any other law that authorized advancement on the retired list based upon a special commendation for the performance of duty in actual combat, may have his retired pay recomputed under this subsection on the basis of the rate of basic pay applicable to that grade upon his release from that active duty only if he has been entitled, for a continuous period of at least three years, to basic pay at that rate. If, upon his release from that active duty, he has been entitled to the basic pay of that grade for a continuous period of at least three years, but he does not qualify under the preceding sentence, he may have his retired pay recomputed under this subsection on the basis of the rate of basic pay prescribed for that grade by the rates of basic pay replaced by those in effect upon his release from that duty.”

(2) Notwithstanding paragraph (1) of this subsection, and unless otherwise entitled to higher retired pay or retainer pay, a member of a uniformed service who is on active duty (other than for training) on the effective date of this Act, who was entitled to retired pay or retainer pay before he entered on that duty, and who is released from that duty on or after the effective date of this Act after having served on that duty for a continuous period of at least one year shall, upon that release from active duty, be entitled to recompute his retired pay or retainer pay under the table in section 1402 of title 10, United States Code, subject to section 6483(c) of title 10, as that table and that section were in effect on the day before the effective date of this Act, using rates of basic pay prescribed by this Act.

(m) Section 6483(c) of title 10, United States Code, is repealed.

SUBMARINE PAY FOR MEMBERS TRAINING FOR DUTY ON NUCLEAR-POWERED SUBMARINES

SEC. 6. Section 301(a)(2) of title 37, United States Code, is amended to read as follows:

“(2) as determined by the Secretary concerned, on a submarine (including, in the case of nuclear-powered submarines, periods of training and rehabilitation after assignment thereto), or, in the case of personnel qualified in submarines, as a prospective crewmember

of a submarine being constructed, and during periods of instruction to prepare for assignment to a submarine of advanced design or a position of increased responsibility on a submarine;".

INCENTIVE PAY FOR DUTY INSIDE A HIGH- OR LOW-PRESSURE CHAMBER

SEC. 7. Sections 301(a)(9) of title 37, United States Code, is amended to read as follows:

"(9) inside a high- or low-pressure chamber;".

MULTIPLE PAYMENTS OF INCENTIVE PAY

SEC. 8. Section 301(e) of title 37, United States Code, is amended by striking out the words "only one payment" and inserting in place thereof the words "not more than two payments".

SPECIAL PAY FOR DUTY SUBJECT TO HOSTILE FIRE

SEC. 9. (a) Chapter 5 of title 37, United States Code, is amended as follows:

(1) The following new section is added after section 309:

"§ 310. Special pay: duty subject to hostile fire

"(a) Except in time of war declared by Congress, and under regulations prescribed by the Secretary of Defense, a member of a uniformed service may be paid special pay at the rate of \$55 a month for any month in which he was entitled to basic pay and in which he—

"(1) was subject to hostile fire or explosion of hostile mines;

"(2) was on duty in an area in which he was in imminent danger of being exposed to hostile fire or explosion of hostile mines and in which, during the period he was on duty in that area, other members of the uniformed services were subject to hostile fire or explosion of hostile mines; or

"(3) was killed, injured, or wounded by hostile fire, explosion of a hostile mine, or any other hostile action.

A member covered by clause (3) who is hospitalized for the treatment of his injury or wound may be paid special pay under this section for not more than three additional months during which he is so hospitalized.

"(b) A member may not be paid more than one special pay under this section for any month. A member may be paid special pay under this section in addition to any other pay and allowances to which he may be entitled.

"(c) Any determination of fact that is made in administering this section is conclusive. Such a determination may not be reviewed by any other officer or agency of the United States unless there has been fraud or gross negligence. However, the determination may be changed on the basis of new evidence or for other good cause.

"(d) The Secretary of Defense shall report to Congress by March 1 of each year on the administration of this section during the preceding calendar year."

(2) The following new item is inserted in the analysis:

"§10. Special pay: duty subject to hostile fire."

(b) The Combat Duty Pay Act of 1952 (50 App. U.S.C. 2351 et seq.) is repealed.

*ELECTION BY MEMBERS WITHOUT DEPENDENTS NOT TO OCCUPY
GOVERNMENT QUARTERS*

SEC. 10. Section 403(b) of title 37, United States Code, is amended by adding the following sentence at the end thereof: "However, except as provided by regulations prescribed under subsection (g) of this section, a commissioned officer without dependents who is in a pay grade above pay grade O-3 and who is assigned to quarters of the United States or a housing facility under the jurisdiction of a uniformed service, appropriate to his grade or rank and adequate for himself, may elect not to occupy those quarters and instead to receive the basic allowance for quarters prescribed for his pay grade by this section."

FAMILY SEPARATION ALLOWANCE

SEC. 11. Chapter 7 of title 37, United States Code, is amended as follows:

(1) The following new section is inserted after section 426:

§ 427. Family separation allowance

"(a) In addition to any allowance or per diem to which he otherwise may be entitled under this title, a member of a uniformed service with dependents who is on permanent duty outside of the United States, or in Alaska, is entitled to a monthly allowance equal to the basic allowance for quarters payable to a member without dependents in the same pay grade if—

"(1) the movement of his dependents to his permanent station or a place near that station is not authorized at the expense of the United States under section 406 of this title and his dependents do not reside at or near that station; and

"(2) quarters of the United States or a housing facility under the jurisdiction of a uniformed service are not available for assignment to him.

"(b) Except in time of war or of national emergency hereafter declared by Congress, and in addition to any allowance or per diem to which he otherwise may be entitled under this title, including subsection (a) of this section, a member of a uniformed service with dependents (other than a member in pay grade E-1, E-2, E-3, or E-4 (4 years' or less service)) who is entitled to a basic allowance for quarters is entitled to a monthly allowance equal to \$30 if—

"(1) the movement of his dependents to his permanent station or a place near that station is not authorized at the expense of the United States under section 406 of this title and his dependents do not reside at or near that station;

"(2) he is on duty on board a ship away from the home port of the ship for a continuous period of more than 30 days; or

"(3) he is on temporary duty away from his permanent station for a continuous period of more than 30 days and his dependents do not reside at or near his temporary duty station.

A member who becomes entitled to an allowance under this subsection by virtue of duty described in clause (2) or (3) for a continuous period of more than 30 days is entitled to the allowance effective as of the first day of that period."

(2) The analysis is amended by inserting the following item:

"427. Family separation allowance."

SPECIAL PAY FOR SEA DUTY AND AT CERTAIN LOCATIONS

SEC. 12. (a) Section 305 of title 37, United States Code, is amended to read as follows:

"§ 305. Special pay: while on sea duty or duty at certain places

"(a) Except as provided by subsection (b) of this section, under regulations prescribed by the President, an enlisted member of a uniformed service who is entitled to basic pay—

"(1) is entitled, while on sea duty, to; or

"(2) may be paid, while on duty at a designated place outside the contiguous 48 States and the District of Columbia; special pay at the following monthly rates:

" Pay grade	Monthly rate
E-9.....	\$22.50
E-8.....	22.50
E-7.....	22.50
E-6.....	20.00
E-5.....	18.00
E-4.....	15.00
E-3.....	9.00
E-2.....	8.00
E-1.....	8.00

"(b) Appropriations of the Department of Defense may not be paid, as foreign duty pay under subsection (a) of this section, to a member of a uniformed service who is a resident of a State, Puerto Rico, the Virgin Islands, a possession, or a foreign country and who is serving in that State, Puerto Rico, the Virgin Islands, that possession, or that foreign country, as the case may be."

(b) Notwithstanding subsection (a), an enlisted member who, on the day before the effective date of this Act, was permanently assigned to duty at a place outside the United States or in Alaska or Hawaii, shall, during the remaining period of that assignment, but not after that place is designated for the purpose of section 305(a)(2) of title 37, United States Code, be paid the basic pay to which he was entitled on that date plus special pay under section 305 of title 37, United States Code, whenever qualified thereunder as that section was in effect on the day before the effective date of this Act, if the total of that basic pay and that special pay is more than the basic pay to which he would otherwise be entitled during that period under section 2 of this Act.

(c) The analysis of chapter 5 of title 37, United States Code is amended by striking out the following item:

"305. Special pay: sea and foreign duty."

and inserting in place thereof the following item:

"305. Special pay: while on sea duty or duty at certain places"

SAVINGS PROVISION

SEC. 13. (a) The enactment of this Act does not reduce the rate of dependency and indemnity compensation under section 411 of title 38, United States Code, that any person was receiving on the day before the effective date of this Act or which thereafter becomes payable for that day by reason of a subsequent determination.

(b) *The enactment of this Act does not reduce the basic pay or the retired pay or retainer pay to which a member or former member of a uniformed service was entitled on the day before the effective date of this Act.*

EFFECTIVE DATE

Sec. 14. This Act becomes effective on October 1, 1963.
And the Senate agree to the same.

L. MENDEL RIVERS,
PHILIP J. PHILBIN,
F. EDWARD HÉBERT,
ARTHUR WINSTEAD,
WALTER NORBLAD,
WILLIAM H. BATES,
WILLIAM G. BRAY,
Managers on the Part of the House.
RICHARD B. RUSSELL,
HOWARD W. CANNON,
SAM J. ERVIN, Jr.,
LEVERETT SALTONSTALL,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5555), to amend title 37, United States Code, to increase the rates of basic pay for members of the uniformed service and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

1. The House bill contained no pay increase for members of the uniformed services with under 2 years of service for pay purposes. The Senate amendment provided increases for enlisted personnel serving in the grades of E-4 and E-5 with under 2 years of service, averaging 5.5 percent. This involved approximately 45,000 enlisted personnel. In addition, the Senate amendment provided increases in basic pay for 45,000 officers with under 2 years of service, ranging from \$20 per month for second lieutenants, to \$30 a month for first lieutenants, \$40 a month for captains, and \$50 a month for majors. The Senate receded from this portion of the amendment.

2. The Senate amendment increased the pay of officers with over 2 years of service serving in grades from second lieutenant to lieutenant colonel.

(a) The House bill provided base pay for second lieutenants of \$280 a month with over 2 years of service; the Senate amendment provides \$300 a month for these officers.

First lieutenants with over 3 years of service received \$420 a month under the House bill, and \$450 under the Senate amendment.

Captains with over 8 years of service received \$540 a month under the House bill, and \$565 a month under the Senate amendment.

Majors with over 14 years of service received \$665 a month under the House bill, and \$830 per month under the Senate amendment.

(b) The Senate amendment continued the special pay scale for commissioned officers with over 4 years of prior service as enlisted personnel. The House bill deleted this special pay scale.

The increases for this group run from \$10 per month for second lieutenants with over 4 years of service to \$20 per month under the Senate amendment for the captain with over 20 years of service.

(c) The Senate amendment added increases over those contained in the House bill, in the enlisted grades, for the E-4 with over 4 years of service (\$5 per month); E-5 with over 6 years of service (\$5 per month); E-6 with over 14 years of service (\$5 per month); and E-7's with over 14 years of service (\$5 per month). The House receded to the Senate increases over those contained in the House bill.

3. The Senate amendment provided an increase in special pay for physicians and dentists which was not contained in the House bill.

Under present law, physicians and dentists receive \$100 a month special pay upon entering the service.

Physicians and dentists who have completed at least 2 years, but less than 6 years of service, receive \$150 a month special pay.

Physicians and dentists with at least 6 but less than 10 years of service receive special pay of \$200 a month.

Physicians and dentists with 10 or more years of service receive \$250 a month special pay.

The Senate amendment raises special pay for physicians and dentists at the 6-year point from \$200 to \$250 a month; and from \$250 to \$350 at the 10-year point. The House receded.

4. The Senate amendment deleted all increases in subsistence allowances.

The House bill provided subsistence increases of \$3.12 per month for officers; and an average of a little under \$7 per month for enlisted personnel. The House receded.

5. The Senate amendment retains the hostile fire provision providing \$55 a month, but eliminated that portion of the House bill which made this provision retroactive to January 1, 1961. The House receded.

6. The Senate amendment retains sea pay as now provided in law, but provides that foreign duty pay will be permissive rather than mandatory.

The amendment gives the Secretary of Defense the authority to authorize this pay in locations outside the continental United States that he selects. The House receded.

7. The Senate amendment retained the House provision which provides for a family separation allowance of \$30 a month, but eliminated that portion which authorized officers to receive one-third of the basic allowance for an officer without dependents.

The House receded to that portion of the Senate amendment.

8. The Senate amendment added a provision which authorizes officers in the grade of major and above who are without dependents to elect not to occupy Government quarters even though they are available, and at the same time be eligible to receive their quarters allowances.

There was no comparable House provision. The House receded.

9. The Senate amendment deleted that portion of the House bill which would have made the new pay scales applicable to all persons who retire during calendar year 1963.

The Senate receded with an amendment to the effect that any person retiring between April 1, 1963, and before the effective date of the proposed legislation will be authorized to compute his retirement pay under the new pay scales. The language agreed to by the conferees is not intended as a precedent for future pay increases.

10. Under the House bill, persons retired prior to June 1, 1958, who are paid retired pay under the Career Compensation Act, would have been permitted to recompute their retirement pay under existing pay scales, and in addition receive a 5-percent increase.

Under the Senate amendment, these individuals will be entitled to recomputation under existing pay scales, or a 5-percent cost of living increase, based upon their present retirement pay, whichever is greater. The House receded.

11. The Senate amendment deleted that part of the House bill which would have authorized the Commandant of the Coast Guard

to receive the basic pay provided for members of the Joint Chiefs of Staff. The House receded.

12. Under the House bill, permanent professors at the Military and Air Force Academies received two new basic pay increments after 31 and 36 years of service.

The House amendment provided monthly pay of \$1,165 for colonels with over 31 years of service (as opposed to a maximum of \$1,085 per month for all other colonels with over 26 years of service), and \$1,235 per month for permanent professors with over 36 years of service.

The Senate deleted these proposed increments for permanent professors.

The Senate receded with an amendment to the effect that permanent professors at the Military and Air Force Academies would be entitled to a supplemental pay increment of \$250 per month while serving as professors, after 36 years of service for pay purposes. Under this language permanent professors with 36 years of service or more will draw the basic pay of colonels with 30 or more years of service, but, in addition, will receive a pay supplement of \$250 a month while serving as permanent professors. Upon retirement, however, they will compute their retirement pay on the basis of colonels with 30 years or more of service.

13. The House bill repealed the authority to provide responsibility pay for certain officers.

The Senate amendment deleted the provision in the House bill which sought to repeal the authority to pay responsibility pay. The House receded.

14. The House bill contained a provision requiring 1 year of continuous active duty following recall of retired personnel in order to recompute under any higher rates which might be in effect at the time the individual is re-retired.

The Senate amendment required that in order to recompute at the time an officer re-retires, he must serve at least 2 years continuously under the new higher rates following recall in order to recompute under any higher rates which may be in effect.

The Senate receded with an amendment to the effect that persons serving on active duty on the effective date of the act may compute their retirement pay under the new pay scales if they have served 1 year or more of continuous active duty following recall, but persons recalled to active duty after the effective date of this act must serve on continuous active duty for 2 or more years following recall.

15. The House bill provided that the pay increase would become effective on October 1, 1963, or on the first day of the first month after enactment, whichever is later.

The Senate amendment provides that the pay increase will become effective on October 1, 1963. The House receded.

COST

The House bill involved an annual cost of \$1,222,345,000 for the Department of Defense. The original proposal submitted by the Department of Defense involved a contemplated expenditure of \$1,243,000,000.

The Senate amendment contemplated an annual expenditure of \$1,227,330,000, or \$4,985,000 more than the House-passed bill.

MILITARY PAY INCREASE

The conference report involves an annual estimated cost of \$1,213,000,000, or \$30,000,000 under the Department of Defense proposal, and \$892,500,000 for the remainder of fiscal year 1964, or \$7,500,000 under the President's budget.

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WILLIAM H. BATES,
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Managers on the Part of the House.

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